Charter

Guidance for a critical future

CRM Alliance

Critical Raw Materials

Brussels, November 2024

Dear Readers

The CRM Alliance and its members are pleased to present the CRM Alliance "Charter on Critical Raw Materials Policy". This Charter aims at promoting Critical Raw Materials and providing recommendations on future actions and objectives.

Critical Raw Materials are those raw materials which are economically and strategically important for the European Union. They are key enablers in maintaining Europe at the cutting edge of innovation and are used in environmental technologies, building and construction, transport, consumer electronics, health, defence, space exploration, aviation and much more due to their unique combination of physical properties which guarantee, unmatched reliability and high-performance. These materials are essential to Europe's Economy and to all its industrial and manufacturing sectors.

This charter outlines the core actions that the European Union should take on Critical Raw Materials and seeks to constitute a guidance for policymakers on future actions.

The Charter features a total of 10 principles that the CRM Alliance deems necessary for implementation to ensure the continued supply of sustainable CRMs, essential to Europe's economy, green transition and to drive future innovation.

Yours sincerely,

Jarosław Kluczniok
President

Maurits Bruggink
Secretary General

Introduction

The CRM Alliance has developed a "Charter on Critical Raw Materials Policy". This Charter outlines core actions that the European Union should take on Critical Raw Materials and seeks to guide policymakers on further action.

The aim of the Charter is to promote Critical Raw Materials and provide recommendations to the EU and the wider stakeholder community on how Critical Raw Material policy should develop in the upcoming decades.

Context

The charter features a total of 10 principles that the CRM Alliance deems fundamental to ensure the continued supply of these materials, essential to Europe's economy and to drive future innovation.

Each principle identifies challenges associated with CRMs and potential solutions to implement.

- Principle 1 - Sustainable Sourcing
- Principle 2 - Expediting Permitting Processes
- Principle 3 - Increasing Recycling Initiatives
- Principle 4 - Common Framework for Investment in CRM Production
- Principle 5 - Regulatory alignment
- Principle 6 - Supply Chain Approach
- Principle 7 - Global Free and Fair Trade
- Principle 8 - Market based approach towards substitution of CRMs
- Principle 9 - Awareness Raising Initiatives
- Principle 10 - R&D on New Technologies

Conclusion

The CRM Alliance deems all the above principals of fundamental importance to develop a strong and robust CRM policy that will benefit the economic and national security interests of the EU and its leadership in future innovation.

Principles

01 - SUSTAINABLE SOURCING

An efficient transformation of the economy from a linear concept to a circular concept starts at the beginning of the economic cycle:

- Sourcing of critical raw materials.
- Improving the conditions and incentives for sustainable access of sourcing of CRMs will aid in guaranteeing supply of these materials in the EU.

Challenges:

- Increasing knowledge and access to resources.
- High investment costs, complex and lengthy permitting procedures, difficulties in obtaining social acceptance.
- Difficulties in addressing environmental, and health and safety impacts such as the generation of waste and large tailings.

Solutions:

- Increased automation and digitisation of mining and economical mining of smaller deposits.
- Predictable and stable mining investment climate i.e. using EU funds, EIB, etc.
- Facilitating access to known or undiscovered mineral deposits in the EU.
- Facilitating the built-up and extension of processing and recycling facilities.

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02 - EXPEDITING PERMITTING PROCESSES

The European Union is heavily dependent on third country imports for many CRMs. To reduce this dependency, the EU should take advantage of its geological deposits as well as its current primary and secondary industry featured on its territory by enhancing the production of these materials.
To do so, Member States need to adopt a clear and coordinated permitting framework to expedite permitting processes.

Challenges:

- High costs of exploration projects due to complex and lengthy permitting processes.
- Implementation of fast-track procedure for critical and strategic materials.

Solutions:

- Coordination and implementation of minerals policies at different levels (EU, Member States, regional, local).
- Good governance and capacity – reinforcing capacities at national and regional level.
- Commission intervention to facilitate and expedite permitting procedures – Fast tracking.

03 - INCREASE RECYCLING INITIATIVES

To reduce the EU's dependency on third country imports, the European Union is implementing a more circular economy based on the principle reduce, re-use and recycle. Through the enhancement of recycling initiatives, CRMs are maintained in the EU's economy for as long as possible.

Secondary production of CRMs, coupled with the enhancement of primary production, would reduce the EU's dependency on third countries.

Challenges:

- Some CRMs are currently still difficult to recycle due to a wide variety of reasons: long-life span of the final product; recycling of the product they are serving, not the actual substance; lack of economy of scale, lack of technology and access, lack of markets for the recycled material.
- Policymakers do not recognise that for some CRMs and in certain applications recycling is not an option, technically and/or economically.
- EU funded CRM recycling studies/projects often focus on CRMs that cannot be recycled and/or replicate passed conclusions and results.

Solutions:

- Development of cost-effective, resource and energy efficient, and environmental solutions for recycling and recovery of CRMs from products and other waste and recycling streams when possible and economically viable for industry.
- Development of innovative technological solutions for recovery of CRMs from complex end-of-life products.
- Improving the economic incentives to recycle CRMs when technically and economically feasible.

04 - COMMON FRAMEWORK FOR INVESTMENT IN CRM PRODUCTION

A Common Framework for Investment in CRM production should be developed at EU level to foster the general production of CRMs thus guaranteeing their supply and use in existing and future applications.

Challenges:

- High costs connected to energy and general primary and secondary production of CRMs.
- Excessive EU and national legislative burden for producers.
- Unfair competition from third countries.

Solutions:

- Facilitate access to finance and reduce EU dependence on third countries.
- De-risk investments by providing a stable and predictable economic and legal framework and ensuring coherence of strategic objectives and legal requirements for companies.
- Incentivise producers to implement new and sustainable production of CRMs in the EU.
- Incentivise secondary production of CRMs.
- Support the expansion of d existing and develop new production projects in the EU.

Principles

05 - REGULATORY ALIGNMENT

Challenges:

- Regulatory complexity, overlapping legislation, conflicting objectives between political ambition and proposed legislation.
- Policy targets followed by overly prescriptive and detailed implementing regulations impacting on CMRs.

Solutions:

- Implementation of a coherent industrial strategy on the EU level.
- Provide regulatory certainty.
- Eliminate contradictions and unnecessary complexity in existing EU legislation.
- Have a clearer focus on investment predictability into Europe's chemicals policy and other upcoming waste/product legislation.
- Regulations should be following a risk-based approach.

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06 - SUPPLY CHAIN APPROACH

An EU CRM Board should encourage the Commission to complement the next Criticality assessment with a more comprehensive analysis of the supply chains and their vulnerabilities going beyond the statistical evaluation and a foresight study analysing global policies of relevance for the specific supply chains.

Challenges:

- EU legislative impact analyses in the past have not considered their impacts on CRMs and their supply chains in particular. They have not analysed in sufficient depth the overall impact of global, regional and local supply chains.
- Lack of involvement of upstream and downstream users in assessing the critical and strategic nature of materials and the factors governing each of their situations.
- Monitoring the policies globally and assessing potential impacts on supply chains as well as EU dependency.

Solutions:

- More comprehensive legislative impact assessments with reference to CRMs.
- Involvement of the entire supply chain in the assessments.
- Extended foresight studies taking global policies into account.

07 - GLOBAL FREE AND FAIR TRADE

The EU should support principles of both free and fair trade of CRMs guaranteeing a level playing field for all actors taking into account the various global players and their policies in a timely and anticipative manner.

Industrial Sector Policies including the "Transition Pathways" should incorporate and highlight the economic and strategic importance of CRMs and their values to future innovation and competitiveness.

Challenges:

- Ensuring free and fair trade of CRMs.
- WTO dispute settlement system is slow and outdated and still does not consider sufficiently environmental credits.

Solutions:

- Fair and unrestricted access to critical raw materials by improving supply partnerships for EU countries.
- Ensuring a level playing field of all actors present in the trade of critical raw materials.

08 - MARKET BASED APPROACH TOWARDS SUBSTITUTION OF CRMS

CRMs have unique properties and therefore should be promoted. The use of these substances translates into high performing products and a more competitive industry in Europe.

Government policies should embrace and promote these substances and leave substitution to natural selection in a competitive market.

Challenges:

- Substitution is most of the time not a viable option for CRMs due to their unique properties and economic significance in many high-tech applications requiring high standard performance and specification (often critical for safety).
- Lack of knowledge of CRMs and their properties and their contribution to the functionality of the critical or strategic applications.
- Substitution is a complex process, which can have unintended consequences for global value chains.

Solutions:

- Raising awareness on the uses of CRMs and consequences attributable to regrettable substitution.
- Investing in new recycling technologies to improve the recycling rates for CRMs where possible and not in contradiction to their function.
- Substitution should be industry driven and based on a market approach.

Principles

09 - AWARENESS RAISING INITIATIVES

Most people are unaware of the importance of CRMs and how they are used in their everyday life. This lack of knowledge negatively affects how the initiatives concerning CRMs are perceived.

Awareness raising initiatives on CRMs and their applications would facilitate the dissemination of a better understanding of CRMs and their applications, hence a better knowledge of the associated initiatives.

Challenges:

- Lack of knowledge of CRMs, their importance for critical and strategic applications, their supply chains and their relevance across the EU.
- Lack of government supported campaigns on the importance of CRMs and their mining at the national, local and regional level.
- Non-alignments of Member States' national critical lists and the EU CRM List.

Solutions:

- Transparency on CRMs' availability in the EU and the impacts in the economic/industry sector.
- Industry led initiatives for increasing public awareness of the benefits of, threats to, and potential costs of the CRMs supply.
- Initiatives to obtain public acceptance and gain trust for EU supply chains and production cycles with special reference to performance, environmental and social aspects.

10 - R&D ON NEW TECHNOLOGIES

Research and development in CRMs should be more coordinated in order to avoid duplication and resource loss. And should address the variety of supply chain related issues.

Challenges:

- Research and development industry participation in CRMs is sometimes lagging due to the competitive nature of the research.
- Funding programs at EU level are more complex than at national level and in other jurisdictions.
- There are no projects which look at how the use of CRMs may lead to the development of improved or existing technologies to the benefit of EU citizens.

Solutions:

- Improvement of coordination and collaboration to streamline efforts to avoid duplication and resource loss.
- Focus on funding of recovery technologies and on how CRMs can develop new applications: from civil and defence technologies.

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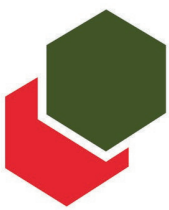

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